OREGON STATISTICAL REVIEW, MAY 1960

(For details see pp. 7-8)

Although May business activity for Oregon was greater than a year ago, the increase was largely centered in Portland. The explanation for weaknesses in several parts of the state probably is the low price of lumber and plywood, especially the latter, which has discouraged production. A decline in farm marketing receipts was also a significant factor. The geographical variations in business activity can be appreciated by a glance at the table showing bank debits given on the back page of this *Review*.

* * *

• **Bank Debits.** May 1960 debits in Oregon were up 8.9 per cent over those of the same month last year. Portland debits were up 14.8 per cent.

• **Employment** of non-agricultural workers in mid-May was up 8,000 compared to May 1959. However, lumber and sawmill employment was down 300. Almost all other activities were up, the greatest increase being in retail trade (+3,300) and state and local government (+2,200).

• **Man hours in manufacturing** was about 4 per cent lower than last year and 11 per cent lower than the annual average for 1951.

• **Weekly earnings** of workers in manufacturing industries in May was almost the same as a year ago (up 16 cents).

• **Lumber production** in the Pacific Northwest Douglas fir region was off 6.4 per cent from a year ago, and new orders were off 20.8 per cent. The result of more production than orders was an increase in lumber inventories of 31.4 per cent. The difficulties of the lumber and plywood manufacturers is primarily caused by a mild decline in the number of housing starts nationally.

• **The value of building permits** for 140 Oregon reporting areas was up nearly a third from a year ago. The largest increase was in Portland, with Pendleton accounting for most of the remainder.

• **Cash receipts from farm marketings** were down 6.3 per cent for the first four months of 1960. The major part of this was accounted for by a drop in the sales of livestock.

• **Business failures** have turned up rather sharply. For the first five months of this year the dollar amount of liabilities is up 51.6 per cent and the number of firms involved is up 16.5 per cent.

Some Probable Effects of Foreign Trade on the Economy of Oregon

By PAUL B. SIMPSON
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World trade has been expanding and promises to expand still further. The advantage of such world trade in a strictly economic sense, distinct from political, humanitarian, and defense senses, is that the most efficient producers throughout the world can develop their skills and advantages fully. In this sense of relative advantage, the stake of Oregon in world trade is just the same as that of the rest of the nation. In so far as world trade improves the terms of trade, whereby more goods are obtained per unit of production, Oregon benefits as does the rest of the nation. In other words, Oregon has exactly the same stake in foreign trade as has any other state in the nation with regard to its most important economic goal, that of achieving the highest possible per capita real income.

We may ask a different question, however; namely, whether or not increased foreign trade is likely to be an expansive factor in that state. Will more world trade mean a larger population and larger total product of the state, or will it mean a lower population and lower total product relative to the nation as a whole?

One answer to this question can be had by analyzing existing industry. This analysis will not answer the question of what the unknown developments of the future will be, but it provides some basis for appraisal. We may then ask the question: If exports and imports of the United States, as represented in 1957, were to increase, say 10 per cent, and Oregon shared in the increase in proportion to its size, what would be the effects on the state's industry?

The answer, so far as one can judge, is that increased world trade would be mildly expansive to the State of Oregon. In other words, Oregon is a state whose industries, on balance, export more than they suffer from import competition. Oregon is not a large export region in the sense that exports to foreign nations are a large portion of the state's products. On the other hand, Oregon's chief industries, agriculture and wood products, are not highly vulnerable to foreign competition, while exports of some products, notably wheat, are considerable.

The data discussed below suggests that exports of Oregon products to foreign nations may have been 242 million dollars in 1957. About half was accounted for by grains, the remainder by processed foods, paper, lumber, and miscellaneous products. A ten per cent increase in these would amount to 24 million dollars. On the other hand, outputs of Oregon which might be replaced by imports amount to only 14 million dollars. The net expansive effect on this showing is 10 million dollars.

If we seek to convert this amount into an effect on total incomes of the state, we must allow for two factors. One is that these figures are inflated because they are computed on a gross basis including the value contribution of materials of other states. Something less than half of the value came from outside Oregon, but how much is hard to say. On the other hand, each dollar of exports stimulates a larger amount of total production in a given state, since income

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from outside will be supplemented by services produced for local use. This expansion multiplier is undoubtedly greater than two. Thus we can be sure that each dollar increase in export value will produce more than a dollar of increased income. Even so, the balance of 10 million dollars, if multiplied by a factor of two, would still amount to only about one-half per cent of personal incomes of Oregon, which were 3,430 million dollars in 1957. Thus, on a very rough basis, we can say that a 10 per cent increase in foreign trade would expand Oregon's production base something like one-half per cent. For Portland, the trade center of Oregon, and of parts of other states as well, the effect would be larger.

Several aspects of the relation of the agricultural situation to these arguments deserve stress. One is that 1957 was a year of abnormally large grain exports because it was a year when national policy called for reducing the stocks of grain in the Pacific Northwest by use of foreign loans and subsidy of exports through public law 480. Total exports of wheat from the Oregon and Washington customs districts amounted to about 190 million bushels, but the total amount of wheat grown that year was about one-half this. If we reduce wheat exports proportionally, the net export balance computed above is reduced from 10 million dollars to 5 million dollars.

It should be noted also that grains, and to some extent other agricultural commodities, are export items in considerable degree only because the United States government subsidizes them. In other words, the largest export is paid for in considerable part by the Federal government, not by foreign citizens.

Thanks to the study of *Foreign Trade Interest in the State of Oregon* recently prepared by Legislative Reference Service of the Library of Congress in cooperation with the Bureau of Business Research of the University of Oregon and the Oregon State Agricultural Service, sensible estimates of the export trade of the State in 1957 can be made. The results of these estimates, supplemented by data from other sources, are shown in Table 1. Manufactured items, except for lumber, were taken from the foreign trade study mentioned. These reports were obtained from a good share of Oregon's industry, representing 74 per cent of manufacturing employment outside of lumbering. Very likely these reporting firms represent more than 74 per cent of exporting firms since firms interested in foreign trade would be most likely to answer. In Table 1, the original figures have been raised 15 per cent. In the case of lumber and agricultural products, it is very difficult to distinguish the exports from Oregon and Washington, because a considerable amount of Washington's products are exported through the Oregon customs district, and some of Oregon's exports flow through the Washington customs district. The principal device used here was to split the total exports of lumber and agricultural products of the combined customs districts on the basis of the relative proportion of total output in the two states.

The final results appear to reconcile reasonably with the commodity breakdown of exports in the two customs districts shown in Table 2. Undoubtedly there are exports through other customs districts, by rail to Mexico and Eastern Canada, for example, but these are probably minor. Some of the items shown in Table 1, particularly for wheat and barley, are from Idaho or states other than Oregon and Washington, suggesting that an offsetting error, so far as the total is concerned, is represented.

A more important question regarding the completeness of Oregon's exports as listed in Table 1 is whether services performed in the State on export business are adequately represented in the table. Longshore services stevedoring, rail transportation, and ship repairing are among these.

Export values are normally high enough to cover charges of handling, transportation within the United States, and the like. Thus, we would not expect service items to be seriously understated. Some items are not so covered, however. Among these are services performed in Oregon on exports from Washington and other states, handling charges on items expressed in manufacturer's values, and ship repair and service charges on foreign ships. My guess is that such items amount to 15 million dollars.

We obtain a figure of 242 million dollars representing the value of exports from Oregon producers to foreign nations. How big is that figure? We may compare it with total merchandise exports of the United States which amounted to just about 22 billion dollars in 1957, if we include military goods. Thus, Oregon accounted for about one per cent of the total exports. As Oregon represents just about one per cent of the nation in its income and production, it appears that Oregon was just about on a par with the national average so far as importance of exports is concerned. We say it appears, since we have overlooked an important question. We have not considered the indirect value contributions to exports. If the figure of 242 million dollars for the foreign exports of Oregon is correct, the question arises, how much of this value was produced in Oregon, how much elsewhere? Similarly, how much did Oregon contribute indirectly to United States exports by contributing materials which are components of these exports? These are problems in input-output techniques, and ones soluble in theory but not readily solved numerically with existing information. It is not difficult to see the direction of the answer, however. Oregon's exports, to the rest of the nation, are primarily wood products used in residential construction, and food products. These are final products rather than materials used in remanufacture for export. Thus, Oregon's indirect contribution to United States exports is small. On the other hand, the contribution of the nation outside of Oregon to Oregon's exports is sizeable. Materials used by the forest products industries include stumpage paid to the United States government, saws, abrasives, machinery, and chemicals. Materials used by the food industries include gasoline, trucks, sprays, fertilizers, tin-plate, and machinery. There can be little doubt that if we add up Oregon's

products on an indirect basis, a smaller portion of her total output was exported in 1957 than was the case for the United States as a whole. This is not true for Portland, which is oriented toward export trade. It appears to be true for the state as a whole.

What about imports? An expansion in world trade is likely to cut two ways. It will expand export industries and regions giving residence to such industries, and it will contract industries competing with the stimulated imports. This question is even tougher to answer than the export question, since we must determine what goods in Oregon are competitive with foreign goods, and this is less objective matter than exports. As best we can however, we must answer the question. How much would Oregon's industries of 1957 suffer from increased imports? Lumber would receive a considerable blow. In 1957, softwood sawmill products and unmanufactured wood worth some 225 million dollars were imported into the United States. An increase of ten percent in these would amount to 22.5 million dollars. Since Oregon's share of the nation's soft wood production is about one-fourth, a loss of markets of some 5.6 million dollars is suggested.

United States imports of agricultural commodities competitive with Oregon products were 673 million dollars (*Foreign Trade Interest in the State of Oregon*, Table 44). One percent of this is 6.7 million dollars, and Oregon's proportionate share of this comes to some 2.1 million in farm income. Sugar beet growers would suffer the largest total loss on this reckoning, followed by wool and filbert growers. Fescue seed, cattle, sheep, and sweet cherries would also be affected adversely.

TABLE 1

ESTIMATED COMMODITY EXPORTS OF OREGON PRODUCTS, 1957
(Millions of dollars)

1. Wheat (32)	96.6
2. Barley (44)	12.2
3. Pears (65)	1.9
4. Miscellaneous agricultural	4.2
5. Lumber	16.2
6. Food and feed products	53.1
7. Instruments	1.4
8. Electrical machinery	3.8
9. Paper products	17.3
10. Machinery excl. electric	15.5
11. Other manufactures	4.8
12. Services	15.0
TOTAL	242.0

Items 1, 2, 3, 6 are exports from Oregon and Washington customs districts combined, times percentages (shown in parenthesis) of Oregon's farm income of the two states. Item 4 is Oregon's farm income from export commodities times ratio of United States exports to value of production. The export commodities are miscellaneous crops such as peppermint oil, hops, etc., which are on a net export basis in the United States. (See Table 45 of *Foreign Trade Interests in the State of Oregon*). Items 7-11 are from Table 37 of the study, raised 15 per cent to allow for undercoverage.

In the case of miscellaneous industries other than lumber and agricultural products, it becomes extremely difficult to know the degree of import competition faced by Oregon producers, since the degree of competition will vary greatly with individual products within broad categories.

TABLE 2

EXPORTS BY COMMODITIES FROM ORLGON AND WASHINGTON CUSTOMS DISTRICTS
(Millions of dollars)

Commodity	*Oregon*	*Washington*
Wheat	209.6	92.3
Wheat flour	13.8	8.2
Barley	21.3	6.4*
Apples	1.2	2.3
Pears	2.1	.8
Dry beans	4.3	2.0
Canned goods	1.1	1.2
Lumber	19.0	2.8
Plywood and millwork	.4	.7*
Wood pulp	5.2	16.7
Newsprint	2.5	1.2
Coarse paper	2.2	.9
Aluminum and copper	7.0	35.0*
Chemicals		2.4
Coal	2.6	.6*
Citrus fruit		3.9
Iron and steel scrap	10.3*	4.2*
Other	56.1	72.5
TOTAL	358.7	254.1

Source: Data obtained from Department of Commerce field offices in Portland and Seattle, except for items with asterisks. * Estimated primarily from data on port shipments of the Corps of Army Engineers.

One kind of paper, for example, will be very competitive with foreign imports while another will not. Under such circumstances chief reliance must be placed on the statements of the producers themselves. In the case of plywood, some concern is felt by producers about Japanese production even though the product is of hardwood varieties not directly competitive with Oregon products. This is not an immediate concern, however. Total plywood imports into the United States were only 74 million dollars in 1957.

The matter of assessing the degree of foreign competition in manufactures other than lumber has been considered in the *Foreign Trades Interests* study. The general conclusion (Table 43) is that some 12 per cent of the workers in these industries are adversely affected by foreign trade, or "import competitive," as the study puts it. We can convert this into value terms by taking 12 per cent of the reported sales in Table 37. This gives 11 million dollars, and if we allow for 15 per cent undercoverage we obtain 12.7 million dollars, as the value of sales that would be affected by import expansion. Feed items and furniture and fixtures are particularly affected. It is impossible to say how much a 10 per cent increase in imports would curtail output of the particular products involved. For some goods a ten per cent rise in imports would eliminate all United States production. We shall assume that an average one-half is lost, about 6.3 million dollars.

Combining our various import estimates, we have 5.6 million dollars (lumber), 2.1 million dollars (agriculture), and 6.3 million dollars (other manufacturing), or 14.0 million dollars in all.

Rough as these figures are, they suffice to suggest that foreign trade will tend to have an expansive effect on the economy of the state, although it will certainly bear hard on some businesses. In any event, however, whether trade be foreign or domestic, and whether the state expands or

contracts in total population, the prosperity of the citizenry depends on its ability to do some jobs of production better than is done elsewhere. This would seem to call for emphasis on development of efficiency of its chief industries, particularly wood products and selected agricultural products and processing, rather than for diversity of production, or for trade for its own sake.

Editor's note. The foregoing article is based upon information presented by Dr. Simpson before the World Trade Conference in Portland, Oregon, which was sponsored by the World Affairs Council of Oregon as the culminating event of the Oregon Centennial Trade Fair. Inquiries concerning membership in the Council may be directed to 831 South West Sixth Avenue, Portland 4, Oregon.

Electronics in Banking

By J. N. RALEIGH
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The editor's interest in electronic banking was stimulated early this year when the local bank enclosed with the monthly statement a circular describing the "magic symbols of space age banking." Learning that U. S. National had pioneered in the use of electric computers for posting customers' checking accounts, we asked Mr. Raleigh for a story on their experiences. We thought readers of the REVIEW would enjoy an account of a practical application of American ingenuity.

There has been much talk lately about the possibility of electronic data processes penetrating the banking field. Possibly many people fail to realize that the true birthplace of electronic banking was right here in our pioneering state of Oregon. For four years the United States National Bank of Portland has been operating the nation's first and largest electronic bank installation.

To understand the whys and wherefores of this pioneering electronic installation it might be well to look at some of the background. In early 1955 the banking industry suddenly discovered that it had been growing like topsy. Bankers looked at the record and found that in 1940 approximately four billion checks were circulated through the nation's banks each year, but that in 1954 this figure had grown to a staggering seven billion. The rate of growth at that time seemed to indicate that by 1970 this annual usage of checks would reach twenty billion. The prediction at that time looked fantastic but it is interesting to note that in 1959 the rising tide had reached thirteen billion, so apparently the expectations of the bankers were well founded.

Since there appeared to be no way of reducing the number of checks in circulation, the bankers sought some sort of solution to the inevitable problems that this mounting tide of paper work would bring. Nationwide surveys were made to determine how many times a check had to be handled. The results of the survey were also staggering. Each check was handled manually an average of eight times. If events were to take their normal course, the banking industry would have to gear itself to 160 billion manual handlings by 1970. Projections showing the number of people necessary to handle this load and the probable salaries they would be making by 1970 were so frightening that definite and positive action seemed imperative.

Moving with uncommon swiftness for a relatively conservative profession, the American Bankers Association appointed a committee to study the problem and make recommendations. This committee very quickly decided upon a permanent sub-committee to work out the details of mechanizing this vast load of paper work. The sub-committee approached all of the manufacturers of bank machines; there was agreement that the problems would be attacked jointly by the office equipment industry and the banking profession to find a common answer.

Late in 1955 the U. S. National Bank of Portland evaluated the situation and predicted that at least five years would go by before a satisfactory common solution could be found and put into actual practice. The bank also decided that during this five year period it might be possible to obtain material operating economies and to gain invaluable knowledge by setting up an interim system based on standard computing equipment generally available at that time. A very quick survey of the existing kinds of equipment showed only one logical contender, the IBM Type 650 medium-scale computer. This machine was in production and readily available on relatively short delivery schedule.

The preliminary discussions with the IBM people were not at all encouraging. It was pointed out to the bank that the Type 650 had not been designed for business purposes and that probably it was not a suitable machine for the job of posting bank checking accounts. In spite of these caution signals the bank wanted to try to develop an approach that would work on existing equipment, and that, at the very least, might offer some improvements over manual bookkeeping. In retrospect, one cannot help but be reminded of the old cliché about the bumble bee who does not understand areodynamics, therefore does not know that he cannot fly, so just goes ahead and flies anyway. As we now look back it is easy to see that we might have hesitated if we fully realized the degree of newness of this entire electronic field. This does not imply any regrets at having gone ahead. As usually happens, problems that loomed very large when first encountered turned out to be very easy to solve, but it would have been helpful to know this at the time. All banks that follow our example should have an easier job as a result of our experiment.

Take, for example, the matter of account numbers on checking accounts and on customers' checks. All the "wise heads" opined that the average bank customer just would not stand still for this sort of thing. Some impassioned speeches have been made, pointing out the almost sacred character of a person's name, and predicting that anyone so rash as to substitute a number would immediately lose all his business to a more conservative competitor.

As it turned out, the public did not complain at all, and the spirit of co-operation that was encountered far exceeded our fondest hopes. I think this should be an object lesson. Seldom has the public ever reacted unfavorably to a progressive step. There have been timid advisers in any given industry who have always predicted that the public would object to change, but it is difficult to find a tangible instance of objection. On the other hand, it is very easy to find many instances where the public has eagerly grasped new and progressive ideas. The first steamboat was sneered at, and cries of "get a horse" greeted the first automobile, but I doubt if they came from the public at large. Even radical changes in existing inventions have brought noth-

ing but enthusiastic support from the public. When running boards were removed from cars, the public did not revolt. The first tail fins on a car were viewed with alarm, but primarily by competitors. When it became apparent that the public liked the innovation, there was a rush not only to put on fins, but highly exaggerated fins in an attempt to capture the market.

I think that much this same situation will hold true with banking. Once the people in the industry see that the public does not object and actually likes the speed and convenience of electronic banking, there will be a rush to put in even bigger electronics in a move similar to the enlargement of tail fins on automobiles.

In general, however, the effect on the public will not be great. Aside from the account number, the odd style of the magnetic characters, and a somewhat different statement, there is little evidence to the public that electronic gear is being used. The real change is within the bank. Several things are affected. Primary ones are (a) space, (b) people, (c) supervision, and (d) costs.

The space aspect is a two-edged sword. At the branch banks much less space is needed, because not only are people eliminated, but also machinery, desks, chairs, vault space, ledger holders. This, of course, has a direct bearing on costs, which go down quite satisfactorily on buildings. On the other hand, the work is now being done in a central location, and this space is much more critical in terms of size, cost, and convenience than that formerly used. In our case, central accounting is at the main office where none too much space is available. In addition, the demands are for a modern sort of space, with air conditioning, humidity control, excellent light, high power supply, and so on. Like most main offices, our available space is the oldest and, therefore, the most poorly equipped to handle new equipment. This, too, has a direct effect on costs, but this time in the opposite direction. Site preparation runs into money, and the more sophisticated type computer one buys, the higher the cost of such preparation. For us, cost was held to a minimum by doing without some of the fancy frills such as false flooring for concealed wires and elaborate air conditioners. We got around these things by tucking the wires under the machinery, and solved a large part of the heat problem by departing from old-line banking tradition. Our operators wear informal sports shirts and no jackets, so they do not mind the slightly higher temperatures encountered in the computer room.

People have been affected in several ways. First, there are considerably fewer of them than there would have been with normal expansion and continued use of manual bookkeeping. So far, probably a hundred or more bookkeepers have been eliminated through natural turnover. It is axiomatic with us, however, that no one is ever released because of improvements in systems or equipment. Costs, of course, are down. This item, too, has another side. Fewer people, but of a different kind, have been added. These people need skills that have never been required in banking before. From the programmers, young men who create the literally hundreds of minute instructions that tell the machine what it is to do, down to the operators, we have encountered a new kind of employee. Working hours are nine o'clock to five, but not in the usual sense. These people start at 9 p.m. at night and work until 5 a.m. in the morning. Training has not necessarily been more difficult, and the training period is usually shorter than used to be necessary, but it is entirely different from anything we have had to do before. The machine imposes a terrible discipline on everyone around it. Since it must follow a rigid routine, it tolerates no deviation by mere humans. This is the primary thing that must be learned. The actual mechanics of running a computer are ridiculously simple—almost to the button pushing stage that we see in cartoons—but if the material fed to the computer is not in the precise form that it likes, it stops. The effect on new employees, and especially on inexperienced members of management, approaches sheer panic. The employee is horrified because he thinks he has broken this extremely expensive machine; management is equally horrified to contemplate the cost of the idle time. Experience is achieved by both when they learn to survey the situation calmly, find where the material deviates from the norm, put it back into order, and push the proper re-start button. At this point the computer stops its pouting and gets back to its single-minded purpose of grinding out huge volumes of work.

The need for supervision of the actual operation is materially less in an electronic operation than a mechanical one. The primary reason is that fewer people are involved, but much credit must be given to the discipline mentioned previously. When only one thing can be done, it's pretty hard for an operator to get in trouble, and quite unnecessary to have a supervisor standing around noting the fact that he isn't in trouble. Visitors have been amazed to find that many of our operations have no supervision at all. The operator knows what is to be done, how to do it, and when the job must be completed, so supervision follows the now-classic rule of exception. When the work doesn't arrive on time, we appoint a temporary supervisor to find out why it has not, and take remedial action to see that it will next time. This course of action has proved very effective and has saved many dollars that would otherwise have been wasted on unneeded supervision.

Over-all costs are down quite substantially. As nearly as can be determined the saving is now running about 20 per cent of previous costs. To this percentage really should be added the less tangible factors, such as the gradual inflation over the past five years that would have raised our previous costs had we not adopted the computer as our standard accounting machine. There are also many instances where fractional people are still retained in the branch banks, but actual realization of a cash saving is impossible because of the impossibility of splitting people into fractions. Gradually this capacity for saving will be realized as volume increases and is absorbed by existing staff; thus, too, there will be forestalled the day when an additional person will be needed.

From the point of view of employee relationships, the move has been a complete success. Our branch managers tell us they would not go back to the old style of accounting unless literally forced to do so. The entire atmosphere has changed wherever we have put in the electronic system. There is no longer the insistent clatter of machines, the messy appearance that manual bookkeeping systems seem to engender, the frantic rush to meet deadlines.

People have been upgraded, and a frequent comment is that we have added dignity to jobs that previously offered only frustration.

Everyone seems pleased with this initial entry into the strange new world of electronics. We know that this is simply a scratching of the surface, but our experience so far leads us to look forward with confidence to future electronic processes, and with assurance that better things are in store for us because of this new medium.

Growth of Oregon Cities

Preliminary census figures for 1960 show some interesting facts concerning population changes in certain cities of Oregon. For example, Oregon now has 14 cities with population of 10,000 or over. In 1950 there were 11. Eugene has gone over the 50,000 mark, thus gaining the status of a Standard Metropolitan Area, and also changing from third largest city in 1950 to second largest in 1960. Springfield has come from tenth largest in 1950 to sixth in 1960. Albany has moved up from eleventh place in 1950 to ninth in 1960.

Some cities have dropped down on the list even though making some population gains. Salem has shifted from second largest to third largest, Klamath from sixth to seventh, Bend from ninth to tenth in rank, Astoria from seventh to eleventh.

Springfield made the biggest percentage gain, increasing 79.3 per cent from 1950 to 1960. Only two cities failed to gain in population during the decade; these were Portland and Astoria.

No substantial revision is anticipated, although late reports and verification will no doubt cause some minor changes. Preliminary figures for many cities under 10,000 have not been released. Several months' time will be required before complete city figures can be reported.

			Gain or Loss (1950 to 1960)	
City	*1950*	*1960*	*Amount*	*Per Cent*
Portland	373,628	370,339	— 3,289	— 0.9%
Eugene	35,879	50,169	14,290	39.8
Salem	43,140	49,166	6,026	14.0
Medford	17,305	24,246	6,941	40.0
Corvallis	16,207	20,437	4,230	26.1
Springfield	10,807	19,373	8,566	79.3
Klamath Falls	15,875	16,821	946	6.0
Pendleton	11,724	14,347	2,623	22.4
Albany	10,115	12,841	2,726	27.0
Bend	11,409	11,748	339	3.0
Astoria	12,331	11,071	— 1,260	—10.2
Roseburg	8,390	10,656	2,266	27.0
The Dalles	7,676	10,429	2,753	35.9
Grants Pass	8,116	10,001	1,885	23.2

Population Growth In Oregon, 1950-1960

By DAVID A. BAERNCOPF
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A wide variance of decade growth rates in Oregon's counties stands out in the preliminary 1960 population estimates that were released on June 8 by the U. S. Bureau of the Census. It is apparent from these figures that Oregon's population grew at a rate that closely approximated the national average growth.

The state's statistics are highly influenced by Multnomah county's growth of only 10.1 per cent, but there was a far higher rate of growth in several counties, ranging up to 129.3 per cent in Curry County. Multnomah's relatively low rate of growth accords closely with the recent national experience in which the most densely populated areas have shown losses or only very slight gains during the 1950's. This general movement from central cities to nearby areas is shown in the relatively high rates of growth in Washington and Clackamas counties, which are neighbors of Multnomah County.

When analyzing the data by areas, it is significant to note the wide prevalence of population losses in the Eastern Oregon counties. Although these preliminary figures may indicate incomplete counts rather than the actual population losses, decreases are shown in Grant, Malheur, Wallowa, and Wheeler counties. The remaining counties in the eastern section showed only small gains. The same pattern of population loss appeared in the northwestern coastal counties.

In contrast, the sparsely-settled southwestern counties of Curry and Coos had the sharpest gains. The other counties between the Cascade and Coast ranges generally had growth rates that were well above the average of the entire state.

The most recently available population statistics for Oregon's counties are shown below, as released by the U. S. Bureau of the Census. These preliminary figures, based on field counts, are subject to revision.

	Population		*Decade Rate*
County	*1960*	*1950*	*of Growth (%)*
Baker	17,180	16,175	6.2
Benton	38,646	31,570	22.4
Clackamas	112,399	86,716	29.6
Clatsop	26,993	30,776	—12.3
Columbia	22,273	22,967	— 3.0
Coos	58,108	42,265	37.4
Crook	9,375	8,991	4.3
Curry	13,869	6,048	129.3
Deschutes	22,851	21,812	4.8
Douglas	67,703	54,549	24.1
Gilliam	3,036	2,817	7.8
Grant	7,584	8,329	— 8.9
Harney	6,658	6,113	8.9
Hood River	13,322	12,740	4.6
Jackson	73,316	58,510	25.3
Jefferson	7,057	5,536	27.4
Josephine	29,650	26,542	11.7
Klamath	47,183	42,150	11.9
Lake	7,054	6,649	6.1
Lane	160,742	125,776	27.8
Lincoln	24,033	21,308	12.8
Linn	58,477	54,317	7.7
Malheur	22,542	23,223	— 2.9
Marion	120,136	101,401	18.5
Morrow	4,815	4,783	0.7
Multnomah	519,239	471,537	10.1
Polk	26,339	26,317	0.1
Sherman	2,430	2,271	7.0
Tillamook	18,938	18,606	1.8
Umatilla	42,388	41,703	1.6
Union	18,028	17,962	0.4
Wallowa	7,036	7,264	— 3.1
Wasco	20,087	15,552	29.2
Washington	91,903	61,269	50.0
Wheeler	2,709	3,313	—18.2
Yamhill	32,267	33,484	— 3.6
OREGON TOTAL	1,756,366	1,521,341	15.4

OREGON STATISTICAL REVIEW

Employment. Information on employment in Oregon is reported each month by the State Department of Employment in Salem. The latest figures follow:

	May 1960	*Apr. 1960*	*May 1959*
Labor & wood products	72,800	71,600	76,700
Food & kindred products	17,800	17,400	17,400
Other manufacturing	51,400	51,800	50,800
Total Manufacturing	142,000	140,800	144,900
Contract construction	25,500	24,200	24,500
Retail trade	79,600	78,700	76,300
Government	93,600	94,300	90,300
Other nonmanufacturing	153,900	152,800	150,700
Total Nonmanufacturing	352,600	350,000	341,800
Total Wage and Salary Employment	494,600	490,800	486,600

Construction. The Bureau of Business Research, in cooperation with the F. W. Dodge Corporation, reports April 1960 construction contracts in Oregon had a total value of $35,658,000. This is 27 per cent above April 1959. Comparative data, in thousands of dollars, follow:

	Apr. 1960	*Mar. 1960*	*Apr. 1959*
Nonresidential	$ 9,003	$10,746	$ 5,726
Residential	14,275	10,358	16,851
Public works & utilities	12,380	8,690	5,563
Totals	$35,658	$29,794	$28,140

Nonresidential construction was 915,000 square feet in April 1960, and 552,000 square feet in April 1959. In April 1960 contracts were let for 1,145 residential units totaling 1,303,000 square feet. One year earlier there were 1,320 units totaling 1,632,000 square feet.

The cumulative total for the first 4 months of 1960 shows that the value of building contracts in Oregon was 5 per cent lower than for the comparable period of the previous year. For the eleven western states the cumulative 4 month total for 1960 was 6 per cent lower than for the previous year. The 4 month national total was 9 per cent lower for 1960 than for the comparable period in 1959. The figures quoted in this paragraph do not include public works or utilities.

Lumber. The figures below were reported by the West Coast Lumbermen's Association. They cover the Douglas fir area of the Pacific Northwest and are in thousands of feet, board measure.

	May 1960	*April 1960*	*May 1959*
Average weekly production	162,869	168,696	173,998
Average weekly orders	150,538	157,915	190,503
Unfilled orders, end of month	530,846	632,991	734,729
Lumber inventory, end of month	1,197,494	1,245,338	910,691

Business Failures. The Dun and Bradstreet report on commercial failures is considered an indicator of business health. The figures for Oregon follow:

	1959		*1960*	
	Number	*Liabilities*	*Number*	*Liabilities*
Jan.	25	$ 515,000	41	$ 590,000
Feb.	38	909,000	45	1,229,000
Mar.	54	1,161,000	46	1,414,000
Apr.	29	497,000	49	995,000
May	42	632,000	38	1,404,000
June	25	765,000		
July	52	953,000		
Aug.	56	1,015,000		
Sept.	34	534,000		
Oct.	36	660,000		
Nov.	39	594,000		
Dec.	41	1,550,000		

Cash Receipts from Farm Marketing. The cumulative receipts from the sale of farm produce were $94,852,000 for the first 4 months of 1960. This is a drop of 6.3 per cent from the 1959 cumulative total of $101,190,000 for 4 months. The following table shows the monthly comparisons in thousands of dollars, as reported by the United States Agricultural Marketing Service.

	1959	*1960*		*1959*
Jan.	$33,479	$29,796	July	$45,194
Feb.	21,901	23,076	Aug.	51,956
Mar.	24,117	21,205	Sept.	61,247
Apr.	21,693	20,775	Oct.	41,256
May	19,148	.....	Nov.	29,153
June	31,614	.....	Dec.	39,359

Index of Man Hours in Manufacturing. A reliable index of change in manufacturing activity is the man hours of industrial pro duction workers. The index is made by the Bureau of Business Research from data supplied by the State Department of Employment (1951=100). Figures apply only to personnel engaged in direct manufacturing; sales, office, and general administrative employees are excluded. No adjustment for seasonal variation has been made. The most recent reading for Oregon is for May 1960.

	1959	*1960*		*1959*
Jan.	79.1	82.9	July	100.2
Feb.	79.3	84.3	Aug.	107.4
Mar.	83.3	85.3	Sept.	102.9
Apr.	87.2	87.9	Oct.	97.6
May	92.1	88.7	Nov.	94.1
June	98.6		Dec.	89.6

Department Store Sales. Figures on department store sales are compiled by the Federal Reserve Bank of San Francisco for the Portland area, Eugene, and Salem. The data are released for Portland each week and once a month for all three cities and the state as a whole.

The most recent Portland area data are for the week ending June 11, 1960, when sales were 5 per cent below those of the corresponding week in 1959.

Sales for the three cities and for Oregon for the month of April and from January 1, 1960 to April 30, 1960 have been compared with those for the corresponding periods of time one year earlier. Percentage changes are shown in the following table:

	April 1960	*Jan. 1, 1960 to April 30, 1960*
Portland area	+ 5	0
Eugene	+14	+20
Salem	+13	+ 5
Oregon	+ 5	+ 2

Life Insurance Sales. During April 1960, sales of ordinary life insurance in Oregon were 7.1 per cent ($3,037,000) lower than in March 1960 and 1 per cent higher than in April 1960. The national figures showed a 5.7 per cent drop in comparison with March 1960 and a 2 per cent drop in comparison with April 1959. These comparisons are based on information supplied in the monthly survey of the Life Insurance Agency Management Association.

Electric Energy. The Public Utility Commissioner of Oregon reports that during April 1960 kilowatt hours of electricity sold by privately-owned electric utilities in Oregon were 5 per cent above sales in April 1959. During the twelve months ending April 30, 1960 sales were 12 per cent above the twelve-month period ending one year earlier.

Advertising linage. The Oregon Newspaper Publishers Association reports 629,840 column inches of local retail advertising in 20 daily Oregon newspapers for the month of May. This is an increase of 4.8 per cent over May 1959 when total linage was 601,279 column inches.

Banking. Loans, investments, and deposits of Oregon banks that belong to the Federal Reserve System are shown below (in millions of dollars):

	Apr. 1960	*Mar. 1960*	*Apr. 1959*
Loans	$ 934	$ 929	$ 817
Investments	620	624	741
Deposits	1,680	1,670	1,737

Consumer Price Index, Portland. The following table compares yearly averages for some major cost of living items for the Portland area (1947-49=100). The figure for 1960 is for April only. Source: U.S. Bureau of Labor.

Year	*All Items*	*Food*	*Apparel*	*Housing*	*Medical Care*
1953	115.5	113.0	104.8	119.2	119.3
1954	115.2	112.8	106.2	119.6	121.9
1955	115.1	110.6	106.5	119.0	126.9
1956	117.7	113.6	108.9	122.7	130.8
1957	121.7	117.0	111.0	126.7	138.6
1958	124.4	120.7	111.4	127.6	140.6
1959	125.5	120.7	118.8	127.9	141.8
1960 (Apr.)	127.5	121.2	113.9	130.9	149.1

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BANK DEBITS

Bank debits represent the dollar value of checks drawn against the deposit accounts of individuals and business firms. Bank debits are considered good indicators of current business activity. But their value for this purpose can be impaired if they include large checks used to transfer funds for the purchase of certain kinds of capital assets that are not "business activity." Each month the Bureau of Business Research collects data on bank debits from 190 banks and branches.

	Number of Banks Reporting	*Debits May 1960*	*Debits Apr. 1960*	*Debits May 1959*	*Percentage change May 1960 compared with Apr. 1960*	*May 1959*
Oregon	190	$2,081,889,622	$2,064,591,239	$1,910,911,065	+ 0.8	+ 8.9
Portland area (Multnomah, Washington, Clackamas, Columbia counties)	62	1,377,591,956	1,344,482,053	1,200,236,071	+ 2.5	+14.8
Mid-Willamette Valley (Polk, Benton, Linn, Marion, Yamhill counties)	40	239,567,259	231,451,291	225,314,340	+ 3.5	+ 6.3
North Oregon Coast (Tillamook, Clatsop, Lincoln counties)	10	33,714,312	34,230,120	34,864,965	— 1.5	— 3.3
West Central Oregon (Douglas, Lane, Coos counties)	22	171,373,226	181,781,013	189,365,372	— 5.7	— 9.5
Southwestern Oregon (Curry, Jackson, Josephine counties)	13	91,561,868	92,705,353	91,436,318	— 1.2	+ 0.1
Upper Columbia River (Sherman, Hood River, Wasco, Gilliam, Wheeler counties)	9	26,737,861	28,096,174	25,369,156	— 4.8	+ 5.4
Pendleton area (Umatilla, Morrow counties)	8	28,205,797	31,573,505	29,217,936	—10.7	— 3.5
Central Oregon(Deschutes, Crook, Jefferson counties)	5	30,800,426	31,339,712	29,492,836	— 1.7	+ 4.4
Klamath Falls area (Klamath, Lake counties)	7	34,459,974	37,025,050	37,231,058	— 6.9	— 7.4
Baker, La Grande area (Baker, Grant, Wallowa, Union counties)	9	25,065,267	26,618,389	27,899,826	— 5.8	—10.2
Burns area (Harney, Malheur counties)	5	22,808,676	25,288,379	20,483,187	— 9.8	+11.4

BUILDING PERMITS

Building permits are a report of plans rather than of construction in actual operation. Interpretation of these data must allow for time elapsed between the issuing of the permit and the beginning of construction. The information has been collected by the Bureau of Business Research from building departments in local governments.

	New Residential May 1960	*New Non-Residential May 1960*	*Additions Alterations & Repairs May 1960*	*Totals May 1960*	*Totals Apr. 1960*	*Totals May 1959*
Albany	$ 67,700	$	$ 9,840	$ 77,540	$ 120,390	$ 219,270
Baker	41,500	.....	1,332	42,832	72,025	129,600
Beaverton	95,910	17,750	88,000	201,660	290,924	106,936
Bend	65,000	105,950	18,239	189,189	176,145	156,250
Coos Bay	62,984	23,650	8,090	94,724	191,583	88,500
Corvallis	179,000	22,265	10,300	211,565	374,950	377,150
Eugene	568,820	157,500	116,915	843,235	2,168,480	591,539
Grants Pass	112,750	168,250	8,500	289,500	120,225	39,159
Hillsboro	143,500	1,375	29,925	174,800	287,355	231,612
Klamath Falls	56,500	169,350	11,340	237,190	288,175	405,684
La Grande	32,945	2,000	18,208	53,153	28,401	93,351
McMinnville	44,500	297,571	114,720	456,791	52,850	64,430
Medford	217,850	81,560	79,393	378,803	674,104	562,400
Milwaukie	260,900	2,000	6,000	268,900	87,710	395,280
North Bend	60,434	5,607	17,700	83,741	23,572	73,617
Pendleton	47,000	1,874,000	8,605	1,929,605	421,267	90,802
Portland	4,847,400	609,705	3,734,280	9,191,385	4,109,895	4,324,705
Roseburg	57,030	311,000	9,900	377,930	279,009	82,313
Salem	124,200	152,500	162,832	439,532	469,070	638,185
Springfield	52,816	13,941	34,074	101,831	87,025	102,032
The Dalles	61,000	.....	78,803	139,803	84,108	96,900
Clackamas County	627,900	111,650	23,005	762,555	918,241	708,970
Douglas County	53,674	860	17,632	72,166	125,678	215,226
Lane County	785,501	274,072	86,393	1,145,966	1,884,718	1,109,155
Marion County	525,175	236,800	39,496	801,471	893,523	746,494
Multnomah County	1,694,035	311,752	166,859	2,172,646	3,518,868	3,797,320
114 other communities	1,218,813	2,597,766	314,560	4,131,139	3,171,108	2,198,404
Totals	$12,105,837	$7,548,874	$5,214,941	$24,369,652	$21,219,399	$18,025,266